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SIPDIS

FROM U.S. MISSION IN ROME

PHNOM PENH FOR AMBASSADOR RAY AND USAID DIRECTOR  
STATE FOR AS/PRM DEWEY, PRM/P, EAP/BCLTV AND IO/EDA BEHREND  
AND KOTOK  
USAID FOR DAA/DCHA GRIGSBY, DCHA/FFP LANDIS, ANE/ESA  
USDA/FAS FOR CHAMBLISS/TILSWORTH/GAINOR  
GENEVA FOR AMBASSADOR MOLEY, RMA LYNCH AND NKYLOH/USAID  
USUN FOR AMBASSADOR NEGROPONTE AND MLUTZ  
BRUSSELS FOR USAID/LERNER  
NSC FOR JDWORKEN

E.O. 12958: N/A

TAGS: [EAID](#) [EAGR](#) [AORC](#) [PREF](#) [KUNR](#) [WFP](#) [UNHCR](#)

SUBJECT: WFP BOARD APPROVES CAMBODIA PROTRACTED RELIEF AND  
RECOVERY OPERATION (PRRO) VALUED AT U.S. DOLLARS (USD) 46.88  
MILLION - 85,000 METRIC TONS

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SUMMARY  
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1. The WFP Executive Board, at its first regular session (February 23-26), approved a Protracted Relief and Recovery Operation for Cambodia. The project 10305.0, entitled Assisting People in Crisis, is for thirty months (July 2004-December 2006), and covers 2,491,710 beneficiaries. Total cost to WFP is USD 46.88 million. Over the life-of-project, WFP will supply (subject to the availability of funds) a total of 85,000 metric tons of food aid. End summary.

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Background  
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2. There is a clear justification for continued food aid to Cambodia, given that: (i) Cambodia is both a least developed (LDC) and a low-income, food-deficit country; (ii) agricultural production still suffers from the after-effects of war, internally displaced persons and widespread landmines; and (iii) the country continues to be wracked by natural disasters. Given its recent history, Cambodia has a plethora of disadvantaged groups including internally displaced people and returned refugees, war widows, orphans, child combatants, and disabled. The prevalence of child labor and of cross-border trafficking of women and children illustrate the difficulties that poor and vulnerable groups face in securing more sustainable livelihoods. WFP is presently the largest UN player with an annual Protracted Relief and Recovery (PRRO) Operation budget (2001-2003) of approximately USD 20 million/annum. WFP assistance to Cambodia under this proposed PRRO will cover: a) disaster management and community asset creation (food-for-work), 30,728 tons, 1.46 million beneficiaries over life-of-project; b) education sector support through school feeding, 38,362 tons, 474,000 beneficiaries; and c) health and nutrition, 13,446 tons, 158,500 beneficiaries. A 3 percent contingency reserve (2,464 tons) is also requested.

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U.S. intervention in support of approval of the Cambodia  
PRRO  
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3. Herewith the essence of the supportive U.S. intervention:

-The work of nurturing the conditions for democratic development in an impoverished nation so new to the democratic experience and so lacking in basic institutional development and human resources must be seen as complex and long-term.

-All available data point toward a tremendous need for continued assistance, particularly given recent information suggesting an increase in child and infant mortality over the past five years, alarmingly high anemia and malnutrition rates, the highest adult HIV/AIDS prevalence rate in Asia, the highest rate of TB in the region, etc.

-While WFP is careful to target its food for work response to the poorest communities, special efforts are required to avoid "make-work" projects that have only marginal impact on the root causes of chronic poverty. WFP is encouraged to intensify its focus on post-project maintenance, particularly with NGOs and community organizations.

-USDEL stressed the need for a "deeper" partnership between

WFP and the host country which would involve RGC commitment to defray a percentage of WFP's operational costs.

-USDEL requested clarification as to how WFP plans to involve the other two major Rome-based agencies, namely the Food and Agricultural Organization (FAO) and the International Fund for Agricultural Development (IFAD) - in its 2004-2006 Cambodia relief and recovery agenda.

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Donor support to WFP's Cambodia PRRO operations since 1999  
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14. Covering the period January 1, 1999 - June 30, 2004 (PRROs 6038.0 and 6038.1), the United States has provided to date 42,919 metric tons through WFP, valued at USD 26.0 million. Japan, the largest donor to WFP Cambodia, has contributed since 1999 a total of 90,121 metric tons valued at USD 40.22 million.

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Other donor comments  
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15. Germany commented that cash-for-work (rather than food-for-work) should be seriously explored by WFP. Several donors underlined the need to intensify local purchases. Note. WFP Country Director Rebecca Hanson estimated that about 20 percent of WFP's commodity requirements are met through local purchasing. She also informed that WFP was assigning a P-3 level international finance officer. End note. There were questions related to WFP's exit strategy, and concern that results/impacts were mixed. Germany felt that the risk assessment analysis on progress related to the political process "may be overly optimistic."

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Executive Board approval  
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16. The WFP Board approved the Protracted Relief and Recovery Operation for Cambodia. The project 10305.0, entitled Assisting People in Crisis, is for thirty months (July 2004-December 2006), and covers 2,491,710 beneficiaries. Total cost to WFP is USD 46.88 million. Over the life-of-project, WFP will supply (subject to the availability of funds) a total of 85,000 metric tons of food aid. Hall

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